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C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 003591

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TAGS: [PGOV](#) [JA](#)

SUBJECT: POST-ELECTION MOOD DARK AT LDP, KOMEITO HQS

REF: A. TOKYO 3475

[1](#)B. TOKYO 3491

Classified By: AMBASSADOR J. THOMAS SCHIEFFER FOR REASONS 1.4 (B,D)

[1](#)1. (C) Summary. In meetings at Liberal Democratic Party (LDP) and New Komeito headquarters on July 31 and August 1, staff members revealed a deep discontent with the July 29 Upper House (UH) election results and with Prime Minister Abe's failure to resign. They spoke freely about Abe's lack of leadership and speculated on possible candidates for the next cabinet while blaming the current cabinet for contributing to the election defeat. They also voiced concern over chances for extending the anti-terror special measures law authorizing the JMSDF refueling operation in the Indian Ocean. End summary.

Abe Ignores History

[1](#)2. (C) In a meeting on July 31 with Embassy officers LDP Election Headquarters Director Akira Kume began by immediately asserting that Prime Minister Abe should resign. Barely keeping his frustration in check, Kume declared that Abe should implement his "Second Chance" program for himself by stepping down; he might then have an opportunity to return as Prime Minister in the future. (Note: The "Second Chance" program is an Abe initiative designed to get out-of-work people back into the workplace.) Kume worried that Abe has failed to grasp the current situation and he compared Abe unfavorably to four other LDP presidents in the Heisei Era (1989-present) who had resigned after an LDP defeat in an UH election: Sosuke Uno (1989), Yohei Kono (1993-95), Ryutaro Hashimoto (1996-98) and Yoshiro Mori (2000-01). Unlike in 1998 when Obuchi agreed to succeed Hashimoto, no one in the LDP at present appears willing to replace Abe.

Cabinet Choices Spelled Defeat

¶13. (C) Kume blamed the election defeat on Abe's cabinet choices, which failed to include senior party members with the experience Abe lacks. Kume also derided the attempt by Abe's Executive Assistant for Political Affairs Yoshiyuki Inoue to describe the election as a demonstration of voter support for Abe reforms. Inoue said that the successful re-election of pro-reform UH members such as Ichita Yamamoto and Yoshimasa Hayashi and the defeat of old, anti-reform members like Toranosuke Katayama meant the voters were behind Abe. Kume took issue with that interpretation and described the election as a choice for or against Abe, noting that pre-election opinion polls had indicated that the public wanted to punish the Abe Cabinet, not change the ruling party.

Rural Rejection of Koizumi Reforms

¶14. (C) Kume asserted that the LDP's fundamental policy had been to seek an economic balance between urban and rural areas. Under former Prime Minister Junichiro Koizumi that policy changed, however, and income disparity intensified. Kume called the 2007 UH election a rejection of Koizumi's reform policies and maintained that the rural voters already voted against Koizumi's reforms during the 2005 Lower House (LH) elections; this year's Upper House election merely cemented their discontent. Kume also claimed that the 2005 election victory was won with the support of floating voters in the big urban cities, not from votes in the rural prefectures, but that the LDP leadership failed to appreciate

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this. The leadership also ignored the fact that in the 2005 victory the opposition Democratic Party of Japan (DPJ) had received more of those floating votes -- 52 percent -- than the LDP, which received 48 percent.

Factions Badly Weakened

¶15. (C) LDP International Bureau Director Miyako Ito highlighted the weakness of the factions after the election. The LDP candidate running in Machimura faction Honorary Chairman Yoshiro Mori's district lost his seat, as did the LDP candidate running in former LDP heavyweight Koichi Kato's home district of Yamagata. All of the Tsushima (formerly Hashimoto) faction candidates lost while the scandal surrounding former Agriculture Minister Norihiko Akagi had effectively silenced the Komura faction. Meanwhile, the Ibuki faction continues to suffer from the suicide of former Agriculture Minister Matsuoka.

Abe Is No Maehara

¶16. (C) Ito compared Abe's LDP presidency to the DPJ's Maehara, who stepped down after the DPJ's defeat in the 2005 LH election and was replaced with the more seasoned Ichiro Ozawa. Ito also criticized Abe's decision to announce he would stay on as Prime Minister without first consulting with the party leadership. Echoing Kume, Ito described Abe as "strangely stubborn" and lacking the judgment to remove people who are ineffective, such as his assistant Inoue.

Speculation on Next Cabinet

¶17. (C) Ito offered some insights into possible new party executives and cabinet members, revealing that former Foreign Minister Nobutaka Machimura would like to be Chief Cabinet

Secretary but that Abe might try to persuade former Chief

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Cabinet Secretary Yasuo Fukuda to return to that position or possibly become Foreign Minister. Ito thought Chief Cabinet Secretary Yasuhisa Shiozaki would not remain in the Cabinet

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but that Abe likely would retain Foreign Minister Taro Aso so as "to keep his eye on him." Aso might be moved to the Finance Ministry but could be unhappy there because of a possible consumption tax increase, she said.

18. (C) Ito recommended giving the three party executive positions to senior members with influence such as Toshihiro Nikai. If Aso were to become LDP Secretary General, she speculated, he would be popular among his staff but might find negotiating with the opposition a challenge. She added that the LDP lacks a strong personality in the UH to handle Diet affairs. Ito thought that Defense Minister Yuriko Koike, Internal Affairs Minister Yoshihide Suga, State Minister for Regulatory Reform Yoshimi Watanabe and State Minister for Financial Services Yuji Yamamoto would keep their jobs.

Anti-Terror Law Faces Tough Road

19. (C) Ito expressed concern that extending the anti-terror special measures law will be very difficult, probably becoming the first major political confrontation between the coalition and the opposition. She speculated that if Abe handles it poorly he might be forced to dissolve the LH as early as November. Ito worried that the LDP would do very

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poorly in the next LH election because the party has so many first-term politicians who lack solid support networks in their home districts. She surmised that only ten to fifteen of the 83 "Koizumi Kids" (politicians elected in the 2005 LH election, often by defeating other LDP politicians who opposed Koizumi's reforms) could be reelected and that the LDP might lose as many as 80 seats.

110. (C) Komeito International Affairs Bureau Director Toshihisa Koganeya stressed focusing on the future, arguing that the coalition's decision on how to handle the extension of the anti-terror special measures law could set the stage for other important bills. He also warned that the UH could delay action on the bill long enough to prevent it being passed, which might force Abe to dissolve the Lower House and call for a new election. Koganeya cautioned that the DPJ might submit a political funding control law as a tool to attack Abe's lack of leadership. How the coalition responds to such a move -- whether to agree with revisions, accept it as is or reject it outright -- may determine the next course of action, he thought. The consumption tax issue also cannot be avoided, Koganeya stressed, and a mishandling of any of these issues would likely result in a dissolution of the Diet by the end of the year.

Comment

111. (C) The views of LDP and Komeito headquarters staff reflect much of what is being said by the press and in opinion polls. Their understanding of coalition mistakes going into the election is refreshing but is likely to have little impact on decision-making by either party. On the issue of extending the anti-terror special measures law, they recognize the danger posed by DPJ opposition but view it from a domestic standpoint rather than an international one.

SCHIEFFER